

Message Text

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ACTION TRSE-00

INFO OCT-01 EA-10 ISO-00 NEA-10 L-03 H-01 IO-13 PA-01

PRS-01 SP-02 USIA-06 AID-05 EB-08 NSC-05 SS-15

STR-05 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 /108 W

-----087355 230257Z /63

R 230142Z NOV 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 8230

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USADB

FOR NAC AGENCIES

PASS TREASURY FOR BRADFORD

E.O. 11652: NA

TAGS: EAID, EFIN

SUBJECT: PROPOSALS CONCERNING DENOMINATION AND VALUATION OF ADB'S
CAPITAL, MAINTENANCE OF VALUE AND RELATED MATTERS, IN
CONTEXT OF NEW INTERNATIONAL MONETARY SYSTEM

REF: (A) MANILA 15736, (B) TREASURY 77-50, (C) MANILA 5354,
(D) MANILA 4872

1. ON NOVEMBER 22, ADB BOARD OF DIRECTORS CONSIDERED
FORMALLY FOR FIRST TIME MAIN ISSUES RAISED IN ADB WORKING
PAPER 2-77 AND ADDENDA 1 AND 2 CONCERNING PROPOSAL TO
SUBSTITUTE SDR FOR 1966 DOLLAR AS UNIT FOR VALUING BANK'S
CAPITAL STOCK AND RELATED ISSUES. INFORMAL DISCUSSION HAD
BEEN HELD PREVIOUSLY ON APRIL 15. EXCEPT FOR U.S. EXECUTIVE
DIRECTOR, ALT. DIRECTOR REPRESENTING CANADA AND SCANDINAVIA
AND ONE LDC GROUP, ALL EDS WERE PREPARED TO SPEAK SUBSTANTIVELY
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ON SUBJECT. MAINTENANCE OF VALUE WAS NOT DISCUSSED.

2. THERE APPEARED TO BE GENERAL AGREEMENT IN FAVOR OF
REDENOMINATING BANK'S CAPITAL IN TERMS OF SDRS AND
MAINTAINING PRESENT PRACTICE OF USING U.S. DOLLAR AS UNIT
OF ACCOUNT.

3. PROCEDURAL ASPECT FOR ACHIEVING REDENOMINATION OF CAPITAL RECEIVED PRIMARY ATTENTION OF BOARD. EDS REPRESENTING UNITED KINGDOM, AUSTRALIA AND INDIA EXPRESSED NEED FOR FORMAL AMENDMENT, WHILE EDS REPRESENTING JAPAN, FRANCE/SWITZERLAND AND MOST DMC DIRECTORS SUPPORTED CHANGE FROM GOLD DOLLAR TO SDR BY INTERPRETATION OF PRESENT ADB CHARTER. THIS LED TO LENGTHY DISCUSSION OF POSSIBILITY THAT BANK MIGHT WISPWTO CONSIDER INTERPRETATION PROCEDURE FOR AN INTERIM PERIOD, WHICH WOULD BE FOLLOWED SUBSEQUENTLY BY FORMAL AMENDMENT. THERE WAS GENERAL CONSENSUS THAT IT WAS DESIRABLE FOR THIS BANK TO ACT IN PARALLEL WITH WORLD BANK.

4. U.S. ED SAID HE WAS UNABLE TO MAKE SUBSTANTIVE COMMENT FOR THE RECORD AT THIS TIME. HE INDICATED THAT METTER WAS CURRENTLY RECEIVING SERIOUS CONSIDERATION IN WASHINGTON AND HE HOPED TO BE ABLE TO PROVIDE U.S. GOVERNMENT'S VIEWS IN NEAR FUTURE.

5. THERE WAS NO INDICATION OF OPPOSITION TO USE OF INTERPRETATION PROCEDURE AT LEAST FOR INTERIM PERIOD. IT WAS AGREED THAT BANK STAFF WOULD EXAMINE PROCEDURAL ASPECT FURTHER AND PRESENT BRIEF PAPER ON THIS SUBJECT. GENERAL COUNSEL ASKED DIRECTORS TO SEEK ADVICE OF RESPECTIVE GOVERNMENTS AS TO WHAT INTERNAL LEGISLATIVE OR LEGAL PROCEDURES WOULD BE REQUIRED OF INDIVIDUAL GOVERNORS LIMITED OFFICIAL USE

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BEFORE THEY WOULD BE CAPABLE OF VOTING ON POSSIBLE AMENDMENT. USADB REQUESTS GUIDANCE ON THIS POINT.
EDMOND

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, AMENDMENTS, FINANCIAL PROGRAMS, DEVELOPMENT BANKS
Control Number: n/a
Copy: SINGLE
Sent Date: 23-Nov-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
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Expiration:
Film Number: D770434-0117
Format: TEL
From: MANILA USADB
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19771126/aaaaavzn.tel
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
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